



Tennessee Higher Education Commission

A PLAN OF ACTION FOR TENNESSEE HIGHER EDUCATION



Master Planning

Among the duties specified for the Tennessee Higher Education Commission in Title 49, Chapter 7 of the Tennessee Code are:

- Study the use of public funds for higher education in Tennessee.
- Develop a Master Plan for the future development of public higher education, and analyze the needs of higher education.
- Study the need for particular programs, departments, academic divisions, branch operations, extension services, adult education activities, public service activities and work programs of the various institutions of higher learning, with a particular view to their costs and relevance.
- Make recommendations to the governing boards for the termination of existing on campus and off campus programs.

Educational Attainment among SREB States

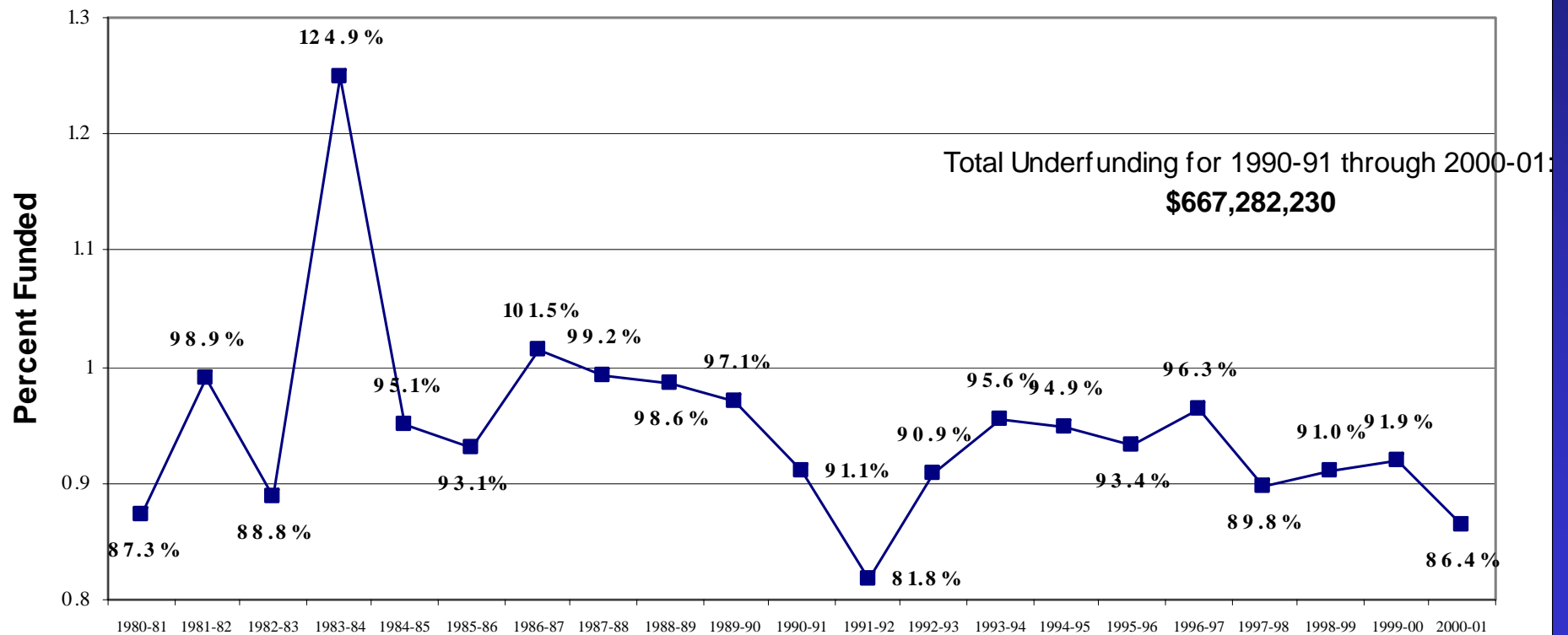
Percentage of Population 25 or Older with a Bachelor's Degree (1999 Current Population Survey)			
	1990	1995	1999
United States	20.3%	23.0%	25.2%
SREB States	18.6%	19.9%	21.7%
Alabama	15.7%	17.3%	21.8%
Arkansas	13.3%	14.2%	17.3%
Delaware	21.4%	22.9%	24.0%
Florida	18.3%	22.1%	21.6%
Georgia	19.6%	22.7%	21.5%
Kentucky	13.6%	19.3%	19.8%
Louisiana	16.1%	20.1%	20.7%
Maryland	26.5%	26.4%	34.7%
Mississippi	14.7%	17.6%	19.2%
North Carolina	17.4%	20.6%	23.9%
Oklahoma	17.8%	19.1%	23.7%
South Carolina	16.6%	18.2%	20.9%
Tennessee	16.0%	17.8%	17.7%
Texas	20.3%	22.0%	24.4%
Virginia	24.5%	26.0%	31.6%
West Virginia	12.3%	12.7%	17.9%

In order to reach the level of its border states, Tennessee would have to increase its bachelor's degree holders by 33.9% (204,000 individuals).



Funding Formula Recommendations

Percent of the THEC Funding Formula Funded by State Appropriations



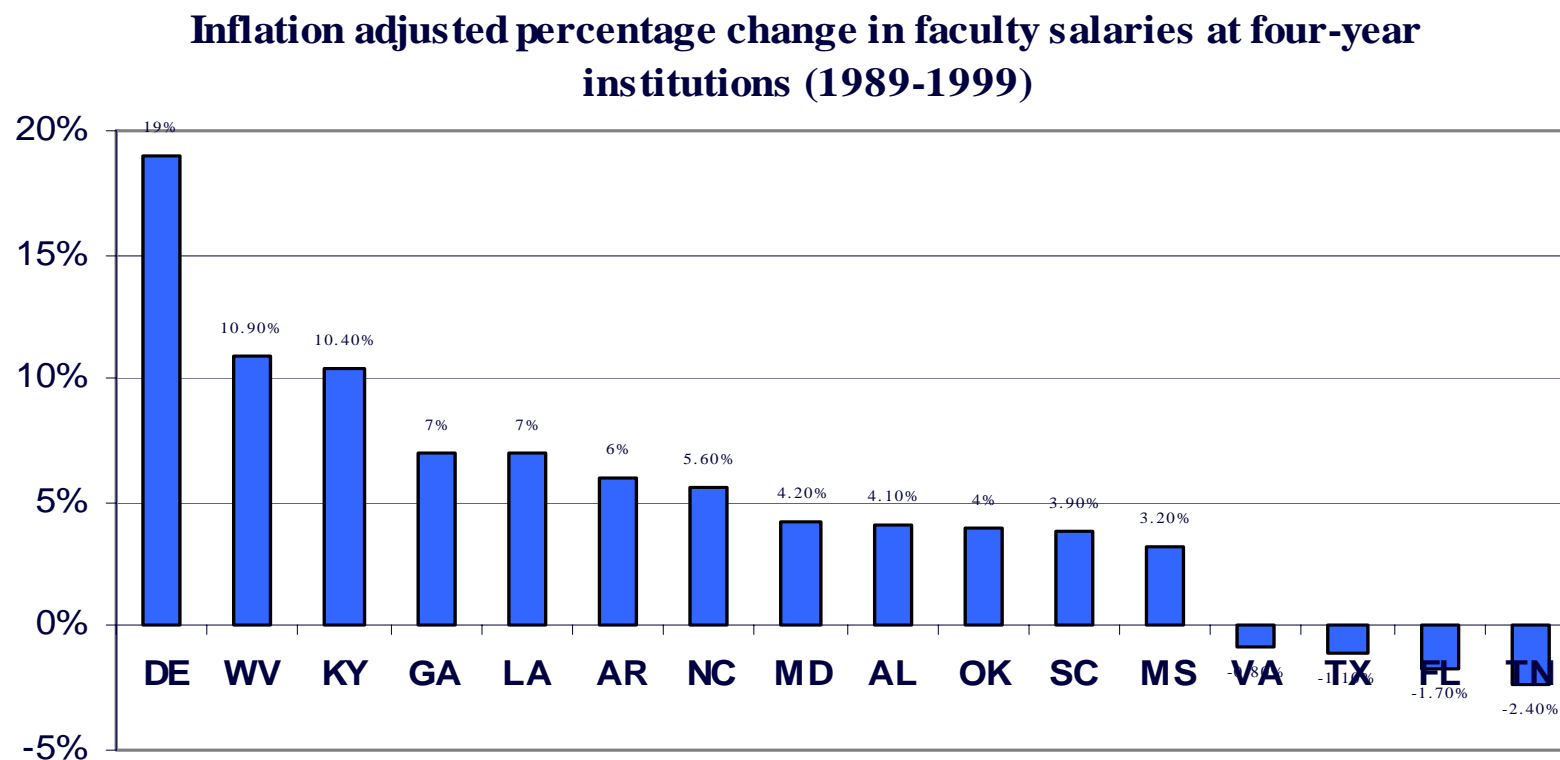
Appropriations Trends

**Trends in State and Local Operating Appropriations Per FTE
at Public Colleges and Universities (adjusted for inflation)**

	Four-Year Colleges and Universities			
	1994-95	1999-2000	Change	Percent
SREB states	\$5,997	\$6,037	\$40	0.7
Alabama	5,777	4,871	-906	-15.7
Arkansas	5,451	5,618	167	3.1
Delaware	--	5,503	--	--
Florida	7,869	7,520	-349	-4.4
Georgia	6,427	7,562	1,135	17.7
Kentucky	5,083	5,025	-58	-1.1
Louisiana	3,908	3,803	-105	-2.7
Maryland	7,217	7,054	-163	-2.3
Mississippi	5,652	6,321	669	11.8
North Carolina	7,836	7,862	26	0.3
Oklahoma	4,753	5,204	451	9.5
South Carolina	5,498	5,367	-131	-2.4
Tennessee	6,633	5,330	-1,303	-19.6
Texas	6,261	6,133	-128	-2.0
Virginia	4,707	5,766	1,059	22.5
West Virginia	4,188	3,954	-234	-5.6

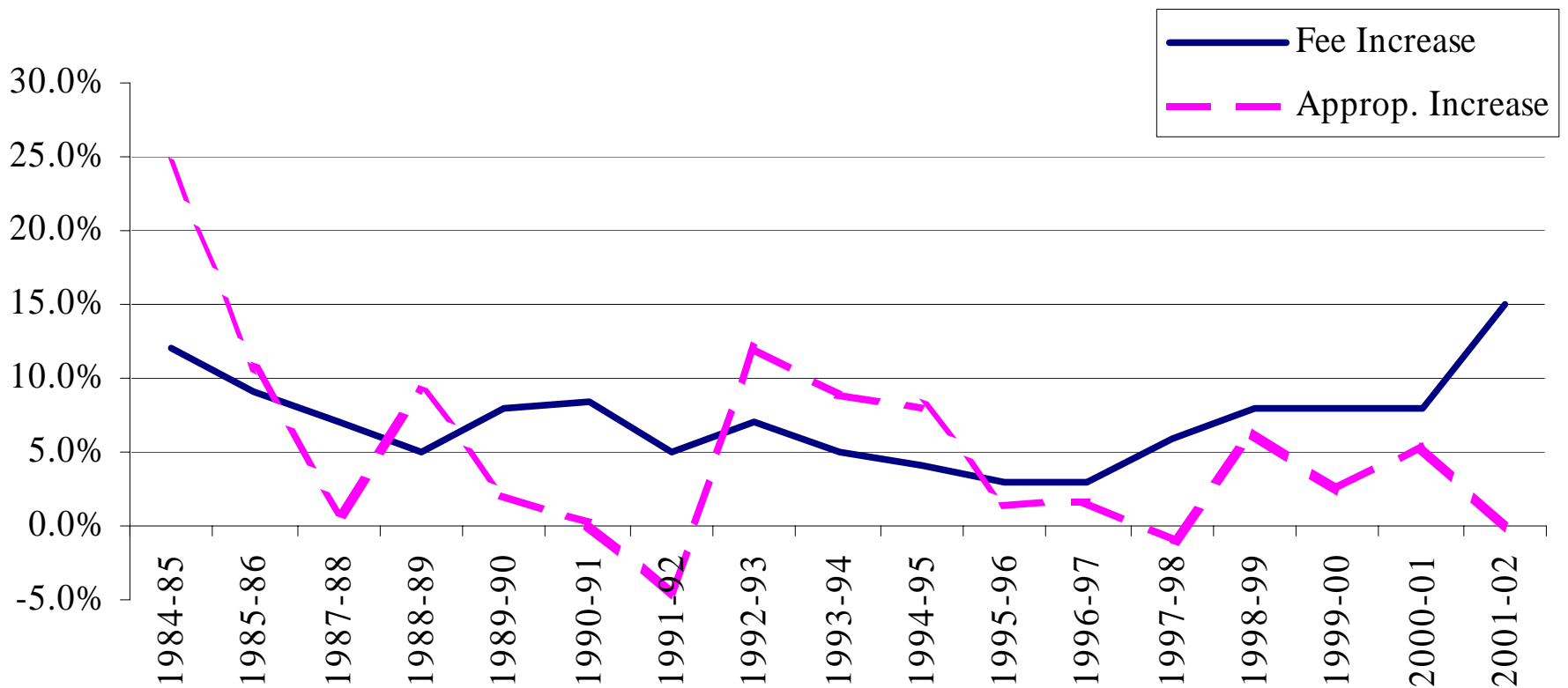
Trends in Faculty Salaries

	1991-92	1995-96	1997-98	1998-99	1999-2000
SREB	\$46,369	\$47,719	\$51,164	\$53,381	\$55,022
Tennessee	48,003	47,638	49,490	49,698	51,806
<i>TN's Position</i>	3.4% above	0.2% below	3.3% below	6.8% below	6.2% below



The Reliance Upon Tuition and Fees

Yearly Percent Increases in Fees



From 1993 to 2001, state appropriations have increased 27%, while fees have increased 72%

Total Cost of Attendance for 2001-02

Tennessee Higher Education Commission

Cost of Attendance Estimates, 2001-02

All Fees Shown are Annual (Fall & Spring Semesters)

Institution	Undergraduate Maintenance Fee	Mandatory Fees	Room and Board	Books Supplies	Miscellaneous	Total
Austin Peay State University	2,556	634	3,770	800	1,300	9,060
Middle Tennessee State University	2,556	622	3,400	800	1,300	8,678
Tennessee Tech	2,556	510	4,515	800	1,300	9,681
Typical 2-Year Institution	1,488	140	NA	800	1,300	3,728
University of Tennessee Knoxville	3,234	550	4,342	1,058	2,206	11,390
University of Tennessee Martin	2,698	582	4,328	950	1,774	10,332

Total costs as a percent of family income after adjusting for financial aid: 23%





Impacts of Under-funding

- **TN is no longer a low-fee state. Tuition and fees at four-year institutions were \$113 above the SREB average for 2000-01.**
- **State support per FTE at four-year institutions was \$707 below the SREB average for 2000-01. Based upon Fall 2001 enrollment (149,011 FTE) total student support trails the SREB average by \$105,350,777.**
- **Based upon regional averages, TN colleges and universities are over-enrolled by 37,110 students.**
- **In 2000-01, the cumulative salary inequity between TN colleges and their funding peers was \$43,900,807.**



The Plan of Action

- 1. Establishment of enrollment ranges for the four-year institutions.**
- 2. Revision of institutional admissions standards.**
- 3. Remedial and developmental appropriations.**
- 4. Removal of the moratorium on new academic programs.**
- 5. Restriction on the establishment of new doctoral programs to specific institutions.**



The Plan of Action

- 6. Removal of E&G student fees and state appropriations for intercollegiate athletics.**
- 7. Revision of the funding formula.**
- 8. Removal of the moratorium on new off-campus locations.**
- 9. Termination of several associates programs.**
- 10. Initiation of external peer review of Engineering/Engineering Technology and Agriculture/Human Ecology programs.**
- 11. Implementation of several accountability initiatives.**



Tennessee Higher Education Commission

A Vision for Tennessee Higher Education

- Develop quality within distinctive missions through redefined program offerings that meet campus, regional, and statewide needs.
- Improve the quality of undergraduate education and strengthen resource allocations to the undergraduate instructional mission.
- Attract and retain competitive faculty, support research and economic development, and provide adequate levels of student support services that will ultimately improve graduation rates across all institutions.